

CITY OF OREM  
CITY COUNCIL MEETING  
56 North State Street Orem, Utah  
May 10, 2016

**3:00 P.M. TOUR – UNIVERSITY PLACE UPDATE & TOUR WITH WOODBURY CORPORATION**

CONDUCTING	Mayor Richard F. Brunst
ELECTED OFFICIALS	Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, and David Spencer
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Department Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Ryan Clark, Economic Development Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder
EXCUSED	Brent Sumner

**TOUR – UNIVERSITY PLACE UPDATE & TOUR WITH WOODBURY CORPORATION**

Artie Woodbury and Kathy Olson of Woodbury Corporation, conducted a tour of the Aston Building, the new office building and NorthStar Alarm office suite, and refurbishments to the interior of the mall. Those from the City who attended the tour were: Mayor Richard F. Brunst, Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, and David Spencer; City staff members Jamie Davidson, Brenn Bybee, Greg Stephens, Richard Manning, Bill Bell, Karl Hirst, Chris Tschirki, Scott Gurney, Gary Giles, Charlene Crozier, Jason Bench, Ryan Clark, Steven Downs and Jackie Lambert. Lynette Larsen, Planning Commission member, was also in attendance.

Artie Woodbury gave a brief update on the construction at University Place, including the road connecting State Street and 800 East and the green space/park area. Mr. Woodbury thanked Orem City for their support and said he appreciated working with the Council and staff to improve the City.

**4:45 P.M. WORK SESSION – PUBLIC SAFETY TRAINING ROOM**

CONDUCTING	Mayor Richard F. Brunst
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## ELECTED OFFICIALS

Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, and David Spencer

## APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Department Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Ryan Clark, Economic Development Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

## EXCUSED

Brent Sumner

### DISCUSSION – CARE Award Deliberations

Mayor Pro Tem Seastrand began the discussion and turned the time over to Mr. Downs.

Mr. Downs explained how this year's funds were allocated, noting that there were a total of \$1.96 million. This was an increase from last year's \$1.89 million. He presented the breakdown of cultural arts and recreation programs, which was \$39,000 more than last year to give in these areas. There was also \$48,715 in surplus from last year, because what they projected was lower than what was actually received. Over the last month, the CARE Advisory Commission met with every mini and mid major grant applicant and heard presentations. There were a total of four new applicants – Freedom Vehicles, Grassroots Shakespeare, Witness Music, and Cantorum Chamber Choir. Three of these organizations applied for mid major grants because they were 501(c)(3) organizations. The other two organizations applied for mini grants. Councilmembers Lauret, Lentz, and Spencer also sat in on those presentations with the CARE Advisory Commission. This year, there was an increase of \$2,050 for mini grants from what was awarded last year. A mid major category was also opened with \$28,000 allocated to grant applicants in that category.

Mr. Downs said that there was a total of \$893,093 left to allocate. Similar to past years, there were three major applicants: SCERA Center (SCERA), Hale Center Theater Orem (HCTO), and Utah Regional Ballet (URB). The Council needed to decide how to allocate funds to the major grant applicants. If all three organizations received the same amount from last year, there would still be \$18,000 of additional money to allocate.

Mr. Macdonald asked if the members of the CARE Advisory Commission or the three Councilmembers who attended the presentations had any recommendations. He asked if as a group they felt good about these organizations receiving the same amount of funds this year as last year. Mrs. Lauret said that there was discussion and different opinions expressed, but by the end there was a general consensus.

Mr. Tierney said that a fair number of groups had reduced money this year than from last year.

Mr. Downs said that some of the newer groups from last year were reviewed and their allocations were adjusted accordingly.

Mr. Macdonald wanted to make sure that the allocations currently presented had general consensus from the CARE Advisory Commission.

Mr. Lambson said that it was good to have some disagreements; in the end, they were able to discuss and compromise on how to fund each organization.

Mr. Downs stated that there was over \$893,000 left to allocate to the three major grant applicants.

Mayor Pro Tem Seastrand said that it would be easier to split the allocations into three categories.

Mr. Lentz suggested that CARE give enough money to Cries of Freedom for them to purchase a tent, rather than giving them funding to rent a tent every year.

Mr. Downs said that the CARE Advisory Commission spoke to Jim Orr about this option, as well as the possibility of using the tent for other City events. The challenge was that the tents were labor intensive to build, wash and maintain, and it did not make sense to buy a tent because rental companies took care of the maintenance. Mr. Downs reviewed this year's request from Cries of Freedom.

Mr. Lentz said that he wanted to approach CARE funds carefully and efficiently. In reviewing the requests from many mini and mid major grant applicants, many organizations needed CARE money for venue space. Mr. Lentz suggested that a chunk of this funding go towards a library auditorium, which would allow those groups to use that space.

Mr. Downs said that with major grant applicants, it was easier to plug in last year's allocations and adjust as needed, rather than starting at zero.

Mr. Macdonald asked if the Commission had any recommendations with regards to the major grant applicants. Mr. Downs stated that the CARE Advisory Commission listened to all presentations for each grant category.

Ms. Millet said that she was impressed with these three major grant recipients and their contributions in the community. She stated that if there was more funding to give, she did not see a justification for reducing funds for any of the organizations.

Another comment from the CARE Advisory Commission was made that it was valuable time spent touring the facilities and observing how the money was being used.

Mr. Lambson agreed with several comments previously made. He remembered that the URB was getting more funding from outside sources other than CARE, and he was inclined to give URB the same amount of funding from last year and increase funding for the other two major organizations. He said that SCERA and HCTO were tremendous assets to the community, and he felt an even split might be more fair.

Mr. Tierney said that all three organizations were fantastic. The amount allocated for URB seemed fair, based on attendance and the number of performances they gave in Orem each year. Mr. Tierney said that he had personally been to shows for both SCERA and HCTO, and he felt that the HCTO was a unique treasure that most cities did not have. The parking lot was always full, and the production quality was off the charts. He said that the allocations in 2013 were more even, and that he was more inclined to give to HCTO.

Mr. Spencer said that Mr. Sumner sent an email with his thoughts. In his email, Mr. Sumner suggested the following allocations:

- HCTO: \$330,000
- URB: \$26,093
- SCERA: \$537,000

Mr. Spencer said that the Hale does an excellent job, but they did generate significant revenue. He stated that the reach of SCERA programming had a greater impact on the community.

Mr. Macdonald asked about keeping the amount of \$26,093 for URB and splitting the extra amount between HCTO and SCERA. There was further discussion on how to allocate the funds.

Mr. Lentz said that depending on the metric being used, strong arguments could be made either the SCERA or HCTO, as they both had really strong ties with the community. While URB had a role in Orem, it was not quite as significant.

Mrs. Lauret said that the ballet was going to try to include more Orem high school students in their program at Utah Valley University.

Mr. Tierney said that when reviewing URB's shows and attendance numbers, they were not far off from the mid major grants which were getting anywhere from \$3,000 to \$10,000. Mr. Downs said URB did a total of six Orem shows last year; four at the Reagan Theater and two at the SCERA. Essentially, CARE was giving them \$4,000 per show, which was more than any other group received per show. It was noted that URB's attendance numbers were similar to Colonial Heritage. Mrs. Lauret thought that URB should stay where it was from the previous year.

Subsequent discussion included the following:

- Both SCERA and HCTO organizations served the community in different ways, in that they provided different programs and opportunities.
- While CARE wanted to encourage and recognize the contributions of all organizations, CARE funds were finite.
- Funding decisions were based on where the money would have the greatest community impact.
- Patrons loved each organization for different reasons.
- In touring the facilities, namely SCERA and HCTO, there had not been significant changes that would prompt a different philosophical funding approach.
- There was no intent to exclude anyone from these opportunities.

- The suggested best option was to split the money equally percentage wise:
  - Hale: \$337,000
  - SCERA: \$520,000
  - Ballet: \$26,093

### **5:30 P.M. STUDY SESSION – PUBLIC SAFETY TRAINING ROOM**

CONDUCTING	Mayor Richard F. Brunst
ELECTED OFFICIALS	Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, and David Spencer
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Department Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Ryan Clark, Economic Development Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder
EXCUSED	Brent Sumner

#### Preview Upcoming Agenda Items

Staff presented a preview of upcoming agenda items.

#### Agenda Review

The City Council and staff reviewed the items on the agenda.

#### City Council New Business

There was no City Council new business.

The Council adjourned at 5:33 p.m. to the City Council Chambers for the regular meeting.

### **6:00 P.M. REGULAR SESSION – COUNCIL CHAMBERS**

CONDUCTING	Mayor Pro Tem Mark Seastrand
ELECTED OFFICIALS	Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, and David Spencer

## APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Steven Downs, Assistant to the City Manager; Pete Wolfley, Communications Specialist; and Jackie Lambert, Deputy City Recorder

## EXCUSED

Richard F. Brunst and Brent Sumner

## INVOCATION / INSPIRATIONAL THOUGHT PLEDGE OF ALLEGIANCE

John Reinhard  
Russ Snedon

## APPROVAL OF MINUTES

Mr. Spencer **moved** to approve the April 12, 2016, City Council meeting minutes. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

## MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

### Upcoming Events

The Mayor referred the Council to the upcoming events listed in the agenda packet.

### Appointments to Boards and Commissions

There were no appointments to boards and commissions.

### PROCLAMATION – Independents Week 2016

Mrs. Lauret read a proclamation naming July 1-7, 2016 as Independents Week in the City of Orem.

Mr. Lentz **moved** to accept the proclamation. Mrs. Lauret **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

### PROCLAMATION – Police Week 2016

Mr. Lentz read a proclamation naming May 9-15, 2016 as Police Week in the City of Orem.

Chief Giles explained that May 15<sup>th</sup> was nationally recognized as Law Enforcement Memorial Day, and that the week that contained this day was typically known as Police Week. However, because May 15<sup>th</sup> was on a Sunday this year, events in Washington D.C. would take place leading up to that date; therefore, Orem had chosen to do the same. So far in 2016, there had been 35 officers in the nation who had been killed while in the line of duty, including one in

Utah. Chief Giles noted that Officer Doug Barney was interned in Orem, and that the current officers serving in Orem were among the best in the nation. Chief Giles expressed that he loved this department and the City, and those who worked every day to serve and protect the community. Their jobs had become more dangerous over time, and he thanked them for their service.

This year they formed a Police Week Activities Committee. Chief Giles mentioned that there were five officers interned at the Orem City Cemetery who died in the line of duty, as well as eight former Orem officers. On Monday, families of police officers decorated and memorialized these 13 grave sites. Chief Giles named those who died in the line of duty as follows: Doug Barney, Joe Adams, Robert Hutchings, Fred House, and David Jones. Those who served in Orem and later passed away include: Gary McGibbon, Norm Carter, Ron Allen, Jim Simmons, Fran Fillmore, and Val Kilpack, as well as two long term dispatchers, Kenny Holtz and Allen Fukes. Kenny Holtz also served with the New York Police Department during his career in law enforcement.

Chief Giles explained that the thin blue line had become a tradition and symbol in police circles. All Orem Police Officers had a thin blue line on their badges to memorialize those who had given their lives in the line of duty. The new patrol cars also had a blue line under the City of Orem for this same reason.

Mr. Spencer **moved** to accept the proclamation. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

#### REPORT – Heritage Advisory Commission

Mr. Bybee introduced Russ Snedon, who was recently voted in as the Chair of the Heritage Advisory Commission. Mr. Bybee stated that this body was not just for deliberation and recommendation; they also provided a lot of service hours for the Memorial Day and Veterans' Day events.

Mr. Snedon explained that he worked closely with Mr. Bybee, Kristie Snyder, and Dan Barrett, the sexton at the cemetery; Mr. Barrett was actively involved in making sure that the cemetery was prepared for Memorial Day and Veterans' Day. The Public Works Department had also helped significantly at these events.

Mr. Snedon explained that the Heritage Advisory Commission was initiated in 2002 and operated under the commission of the City Council. Councilmember Mrs. Lauret was the liaison and had been very involved in this assignment. The Heritage Advisory Commission consisted of seven appointed members: Mr. Snedon, Kelly Kirkpatrick, Jeff Olson, Norman Tong, Nile Zellwood, Mike Walker and Brad Prescott, all of whom were Orem residents and would serve for a four-year term. The Heritage Advisory Commission acted in an advisory capacity to the City Council. They had been tasked with fostering a local tradition of formally celebrating Orem's heritage through Memorial Day, Independence Day, and Veterans' Day celebrations. Mr. Snedon stated that the Memorial Day event was always well-attended, usually with several hundred participants.

The Heritage Advisory Commission also supported Independence Day by participating in the parade. They hosted flag-raising ceremonies and provided educational opportunities in the community. Mr. Snedon then presented the proposed program schedule for the Council's approval. The Heritage Advisory Commission was required to meet quarterly; however, they met more often than that requirement. The meetings were always public and anyone was invited to attend. Minutes were also maintained and were available for review.

Mrs. Lauret said that she had only been involved with the Heritage Advisory Commission since January. She stated that they were some of the finest individuals she had ever met, and they were dedicated to the City and the nation. She encouraged everyone to come to the Memorial Day program, and remarked that it would be an outstanding program with inspiring speakers who had also served the country in uniform.

Mr. Snedon stated that it was an honor to be involved. He commented that there was a citizen warrior mentality in the community, as there were a large number of past and present service members that came out and participated in these events.

Mayor Pro Tem Seastrand asked how many individuals were recognized with the flags on Memorial Day and Veterans' Day. Mr. Snedon answered that there were hundreds of veterans recognized by these flags. He then spoke about various community groups that also participated in the Memorial Day and Veterans' Day events, including Mr. Bowman from Timpanogos High School and the Brigham Young University ROTC. He explained that regardless of the weather, they were always out commemorating veterans on these patriotic holidays.

Mr. Lentz asked about the new Veterans Center at Utah Valley University, and whether or not they had a chance to collaborate with other groups. Mr. Snedon reported that there were some phenomenal events coming up; namely, on May 21<sup>st</sup>, the 405<sup>th</sup> Civil Affairs Battalion in Pleasant Grove would be hosting a 5k run, where a Medal of Honor recipient from Afghanistan would be present.

## **CITY MANAGER'S APPOINTMENTS**

### Appointments to Boards and Commissions

There were no appointments to boards and commissions.

## **PERSONAL APPEARANCES**

Time was allotted for the public to express their ideas, concerns, and comments on items not on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

There were no Personal Appearances.

## **CONSENT ITEMS**

There were no Consent Items.

## **SCHEDULED ITEMS**



6:00 P.M. PUBLIC HEARING – CDBG Awards 2016-2017

RESOLUTION – Receive Public Comment and adopt the Community Development Block Grant (CDBG) Projected Use of Funds for Fiscal Year 2016-2017

Mr. Downs, Assistant to the City Manager, presented recommendations that the City Council hold the second of two public hearings to receive public comment on the projected uses of funds for the 2016-2017 Community Development Block Grant and adopt the recommendation of the CDBG Citizen Advisory Commission.

During the past few months, the CDBG Citizen Advisory Commission heard funding proposals from various applicants who wished to receive CDBG funding. The Commission would present its recommendations to the City Council then the public hearing would be opened for comment on the proposed uses of funds.

Tonight's public hearing was the second of two opportunities for public comment on the recommendations before the City Council officially adopted the Final Statement of Projected Uses of Funds for Orem's 2016-2017 Community Development Block Grant. Following the second public hearing the City Council would adopt a resolution approving the CDBG Final Statement of Projected Uses of Funds for 2016-2017.

Please see the allocation recommendations below:

Public Services – limited by HUD to 15% of new entitlement funding

Family Support & Treatment .....	\$11,000
Project Read .....	\$3,000
PERC.....	\$2,000
Center for Women & Children in Crisis .....	\$8,295
Community Actions Services .....	\$16,000
Mountainland Community Health .....	\$4,500
Literacy Resources.....	\$2,000
RAH .....	\$7,000
Friends of the Children's Justice Center .....	\$12,000
Friends of the Food and Care Coalition.....	\$7,000
Utah County 4-H.....	\$1,000
Community Health Connect .....	\$4,000
Kids on the Move.....	\$5,000
People Helping People .....	\$4,500
Experience Children's Museum.....	\$0
Rocky Mountain University of Health Professionals .....	\$4,000

Other

Habitat for Humanity .....	\$229,341*
Code Enforcement .....	\$130,000
Infrastructure.....	\$150,000
Administration .....	\$103,000
Section 108 Loan Repayment .....	\$105,000

*\* Subject to change based on end of year balance in current housing rehabilitation funding*

Mr. Downs explained that as per HUD requirements, a thirty day comment period was required on this item. No public comment was received on this item during the allotted comment period; therefore, they were recommending approval. Mr. Downs said that they appreciated the efforts of the CDBG Citizen Advisory Commission in listening to presentations and making site visits to understand what each organization does to help in the community.

Mr. Downs explained that the only regret of the CDBG Citizen Advisory Commission was that they could not do more. The group did a Survey with 130 participants in order to identify the priorities for public services. Per HUD requirements, of the entitlement amount a maximum of 15 percent could go towards public services. The funding priorities were: educational services, substance abuse, domestic violence services, mental health and healthcare. It was noted that \$150,000 would also be allocated towards public infrastructure, including sidewalk and street improvements, water, sewer and drainage. Mr. Downs explained that these improvements could only be done in qualifying neighborhoods. HUD served on a home consortium within the County; funds were allocated to home projects that helped people to get into homes through home ownership and emergency repair for those that qualified. While most of these organizations serve people outside of the Orem community, the funding was only given for the service that was rendered to Orem citizens.

Mr. Macdonald asked about the funding source and how organizations made the list. Mr. Downs explained that Orem was an entitlement community, which was a community in the United States of over 50,000 people. As an entitlement community, federal money was given to them to provide public services to low and moderate income families. Mr. Downs explained program income, and stated that in some cases, there were housing rehabilitation loans available. As these loans got paid off, the money then got rolled back into public services. Each qualifying community was given funding based on size and census data, which indicated how many low and moderate income families were in the community. Public notices would go out so that organizations could learn about the different kinds of programs available. Most organizations applied for these programs year after year and knew whether or not they would meet the requirements. However, occasionally new organizations would apply, such as the Rocky Mountain University of Health Professionals, who were new as of this year.

Mr. Downs reported that this year the Children's Museum applied for \$100,000 of seed money. However, their request did not fit the criteria. The CDBG Citizen Advisory Commission did not want the funds to be seed money for an entrepreneur, but rather they wanted to support the organizations that were already up and running. HUD's recommendation was to not fund capital, but perhaps donate once their programming started reaching low to moderate income needs.

Mr. Downs presented the recommended allocations (aforementioned). He explained that there was a process in working with each of these organizations throughout the year, such as monitoring whether or not their patrons meet all of the income requirements. One significant change that would happen this year was that the housing rehabilitation program would go through Habitat for Humanity rather than in-house. The CDBG Citizen Advisory Commission decided to outsource this project entirely for two reasons; first, it would allow them to focus on public facilities. Secondly, Habitat for Humanity had a huge volunteer force and could

accomplish a lot more with the allotted budget. Habitat for Humanity also had the ability to conduct in-house environmental impact studies.

Mayor Pro Tem Seastrand asked if all the projects were in Orem. Mr. Downs answered affirmatively, but noted that similar groups received funding for projects in other cities as well. The loan money would be reinvested in other communities in addition to Orem residents.

Mr. Downs stated that Habitat for Humanity had traditionally built homes for low income families. However, the cost of land in Orem had made it more difficult as the years had gone on to be able to afford the property. Habitat for Humanity had continued to diversify their mission by going into existing houses and rehabilitating them to make them suitable for families and children. He explained that the asterisk next to the amount of \$229,341 on the above list indicated that the amount was subject to change based on the end of year balance in current housing rehabilitation funding. The rest of the aforementioned list was then reviewed.

Mr. Lentz asked about the partnership with Habitat for Humanity, and commented that they should move forward. He wanted to know if there was a process in place for Habitat for Humanity to come back and report on their progress, demonstrating how Orem benefitted from this decision. Mr. Downs said that they would report to the CDBG Citizen Advisory Commission as they applied for more funding next year, and because of their size they could also come present to the Council.

Mayor Pro Tem Seastrand asked if the City could make requests on which projects Habitat for Humanity should prioritize, or if Habitat for Humanity would prioritize projects at their own discretion. Mr. Downs replied that Habitat for Humanity managed the projects, and noted that they had a board that served in an advisory capacity. In the past, the CDBG Citizen Advisory Commission had spent a lot of time going back and forth with consultants for inspections and studies, which was time consuming. Partnering with Habitat for Humanity would take out the middle man of the consultant.

*\*\*Mayor Brunst arrived at 6:35 p.m.*

Mayor Brunst opened the public hearing.

Charlene Crozier, resident and Orem employee, remarked that the CDBG Citizen Advisory Commission had done a great job, and she commended the people who served in these organizations. She also stated that she sat on the Habitat Rehabilitation Committee, and explained that they had an excellent process in place that looked at all different factors, including household income, size, and needs. She was of the opinion that this was a great move, and would make this process more of a one-stop shop for residents seeking additional grants. She commented that Mr. Eric Jorgenson, the Organizer at Habitat for Humanity, was incredible and had a previous history with the Housing Authority of Utah County.

Mayor Brunst closed the public hearing.

Mr. Seastrand stated that he appreciated the efforts that went into these projects. They were a significant benefit to the community, and he was ready to make a motion.

Mr. Seastrand **moved**, by resolution, to adopt the Community Development Block Grant (CDBG) Projected Use of Funds for Fiscal Year 2016-2017. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

RESOLUTION – Adopting the City of Orem Fiscal Year 2016-2017 Tentative Budget

Mr. Davidson said that there were many new laws recently passed in the last legislative session, which would take effect as of May 10<sup>th</sup>. In the past, tentative budgets had been passed by way of resolution; this would not change. However, a new law now required that a public hearing take place as part of these efforts. Mr. Davidson stated that there was no specific public noticing criteria that was included in the new law, but that it would be appropriate for the Council to open this item up as a public hearing and accept public comment.

Mr. Manning and Mr. Nelson presented the City Manager's recommendation that the City Council, by resolution, adopt the Fiscal Year 2016-2017 Tentative Budget and set a public hearing to adopt the final budget on June 10, 2016, at 6:00 p.m.

On May 10, 2016, the City Council received a draft copy of the proposed Tentative Budget in preparation for this meeting. Prior to being presented with a draft copy of the budget, the City Council and staff had met in a series of public meetings to discuss guiding principles of this and future budgets, reviewed each of the Enterprise Funds and the General Fund, and the recommended adjustments to the City's Fees and Charges.

This budget did not contain any request to increase the property tax rate. Proposed fee changes would be reviewed in the budget presentation.

The Tentative Budget was available for review and to download at [Orem.org](http://Orem.org).

Mr. Manning reported they had crossed a threshold this year of having a budget that exceeded \$100 million. On February 5<sup>th</sup> at the Council retreat, staff and Council discussed the high level issues with the City and how to address them from a budgeting point of view. There were several work sessions that followed in which they discussed the different portions of the budget. Those work sessions occurred as follows:

- February 23<sup>rd</sup>: Revenue and Compensation
- March 22<sup>nd</sup>: Operational, CIP, Fleet & IT Charges
- April 12<sup>th</sup>: Enterprise Funds

Mr. Manning explained that unemployment in Utah County was currently at 3.4 percent, whereas the nation's unemployment rate was currently at 5 percent. Utah County wages were at 5.6 percent, which was comparable to the unemployment rate. Utah had been noted as having the best business climate in the nation. While there had been some indicators for an economic slowdown both nationally and internationally, as a broad-based economy Utah would likely be slower to feel those impacts. The City of Orem Fiscal Year 2016-2017 Tentative Budget reflected a strong economy. Some of this year's budget highlights included no tax increases, several new positions, operations expansion requests, strategic studies, fleet replacement, and capital projects.

Mr. Manning explained that in regards to the Jordanelle payment, there had been roughly a \$0.25 water base rate for three quarter inch meters each year since the late 1990s; however, this year's was the last one. The amount of money that Orem paid for Jordanelle would stay intact until the year 2047, by which time the City would have renegotiated a new payment with the Provo River Water Users. He presented a slide which showed proportionately the importance of the various revenue sources. He noted that sales tax was Orem's largest single source of revenue, with water coming in second. The utilities combined were very important to the City. Water, sewer, and storm water operate as mini-businesses and were self-supporting; the only exception was street lighting. Fees made up the smaller pieces of the pie. He then shared the top ten places where the budget was distributed:

- Public Works: 33.7%
- Non Departmental: 17.3% *\*this was primarily the UTOPIA payment*
- Police: 13.4%
- Administrative Services: 11.6%
- Fire: 8.2%
- City Manager: 4.1%
- Library: 3.4%
- Recreation: 2.9%
- Legal: 1.1%
- Elected Officials: 0.5%

Mr. Manning explained that of the \$100 million budget, new, on-going revenue represented \$83,965,296 for Fiscal Year 2017. Transfers between various departments were projected to be around \$16,660,202. The City would only be appropriating \$50,000 of surplus.

Mr. Seastrand said this was an interesting part of the budgeting process, and commented that the transfers made up a significant portion. Revenues were the key aspect, which indicated where the City currently was sitting in terms of spending. Mr. Manning agreed that this was true, and he compared the projected revenues for Fiscal Year 2017 to the revenues from the last two years. One such transfer was made in order to buy the water used for lawns, and the departments making the transfer paid each other for that resource. Another example was moving debt from the street light budget to where it would be paid through the debt service fund. Almost 17 percent of the budget accounted for these transfers.

Mr. Macdonald inquired about the UTOPIA payment. It was noted that while this payment was accounted for in the 17 percent of the non-departmental expenses, it only comprised around 3 percent of the overall budget. This payment increased by 2 percent per year.

Mayor Brunst pointed out that the sales tax was now hitting \$20 million a year, and the franchise and property taxes were around \$8 million each.

Mr. Manning stated that the General Fund was the biggest part of the budget, and that it included items such as streets, parks, police, fire, ambulance, library, etc. The General Fund was 52 percent, or around \$52 million of the total budget. Almost \$47 million of that money was new, ongoing money. He explained that staff only factored in grant funds which they were certain the

City would receive. However, grant monies were included throughout the year as the budget was amended on a quarterly basis. Reason being, the Council could inadvertently approve a spending limit which exceeded the actual amount of grant revenue that was received. Grants did not usually come in large chunks, but rather could be fairly small. Staff wanted to make sure that any grant funding would come in before the money was authorized to go out.

Mr. Manning explained that 10 percent of the General Fund was accounted for in transfers of money going back and forth for services rendered through Enterprise funds. The General Fund made up 66 percent of the overall budget, which broke down as follows: property tax, 12 percent; franchise tax, 15 percent; sales tax, 38 percent. Sales tax was a highly volatile revenue source, in that it could fluctuate with the economy. Mr. Manning reported that sales tax was projected to hit \$20 million in 2017. In 2015, Orem ended up with \$18.8 million in sales tax revenue. This was one revenue source that they purposefully underestimated, because it was part of an operating budget and administration did not want to have to make cuts suddenly. The City could not accurately calculate sales tax revenue until two months after the Fiscal Year had closed, so it was something that they had to watch carefully. The current sales tax rate for the City was 6.85 percent.

With property tax, staff was very shy on having increases and projecting growth factors. It was in the City's best interest to wait on this item, because they would not know how much revenue would be generated from the property taxes until after the final budget had been adopted. The County did not have to provide the City with this information until June, and typically the City had adopted a number before that point. There had been scary situations in which the City overestimated this revenue and they had to make some quick cuts in order to balance the budget; therefore, it was best to wait and adopt the recommended rate. The current combined rate was 0.001652, which was very low and competitive in the area. The City's portion of the total property tax bill was 14.53 percent.

Franchise tax was stable but was somewhat impacted by the weather. The City had a declining number of telephone numbers because people were dropping land lines. Part of the franchise tax was indicated on phone bills, and those revenues had remained stable over the last three years.

Mayor Brunst noted that while 14 percent of property taxes came to the City, the reality was that 85 percent of those property taxes went to the other four taxing entities; the City only kept a sliver of that amount.

Mr. Manning explained that staff deliberately under budgeted building fees. The fees would probably exceed what had been put into the tentative budget. There was enough building going on in order to make an accurate estimate on what the City would receive each year. However, the significant fluctuations that they had recently seen were only being counted as extra money, and would be budgeted as a capital project in a subsequent year rather than factoring them into an operating budget. He noted that a new building inspector had also been planned in the tentative budget.

A growing part of the budget was providing police services to the Alpine School District for School Resource Officers, and providing fire and ambulance for Lindon and Vineyard. As these communities grew, so did the contracts, particularly in Vineyard. Administration thought that

the amount would go up to \$330,000; therefore, they were setting \$100,000 of this contract money aside for future fire services.

Mr. Manning summarized new personnel requests:

- Benefitted positions: \$661,050
- Non-benefitted positions: \$104,100
- 3% wage increase: \$667,641
- Non-benefitted wage increases: \$55,740

Grand Total: \$1,488,531

Recommended new benefitted positions (amounts include benefits):

- Associate Engineer: 77,000 (\$15,400 General Fund impact)
- Building Inspector: \$85,500
- Lead Mechanic: \$79,500 (\$58,830 General Fund impact)
- Police Officers (three new, for a total of \$256,500)
- Public Works Management Analyst: \$95,800 (\$19,160 General Fund impact)
- Public Works Technician-Water: \$66,750

Recommended new non-benefitted positions:

- Human Resources Intern: \$8,100
- Develop Services Technician: \$38,000
- Planning Intern: \$10,000
- Variable Hour Attorney: \$30,000
- Utility Service Specialist: \$18,000

The total ongoing operations expansions, which were designed to enhance productivity, were budgeted at \$233,131. These items may include:

- software for broadcasting the meetings
- tuition reimbursement for employees
- in-house trainings Citywide
- an expected increase in the Indigent Defense Contract: \$15,000
- enhanced public noticing efforts: \$12,000
- opinion sampling software: \$4,000
- online searchable city code software: \$14,275

Mr. Manning noted that in particular, the online searchable city code software would save staff a tremendous amount of time. Mr. Seastrand asked if the online searchable city code software would be made available to public, to which Mr. Manning answered affirmatively.

Other recommended operations expansions include:

- police citation software module: \$8,056
- ambulance stretcher annual set-aside: \$30,000
- cardiac monitor annual set-aside: \$30,000
- Murdock Canal trail maintenance: \$45,000

Mayor Brunst asked for clarification on the Murdock Canal trail maintenance. Mr. Davidson explained that the City was working with the County to build the trail. The County would own and operate it, and the City would help defray the costs of maintenance. Mayor Brunst asked if the City had any say on this amount. Mr. Davidson replied that the County would come through the Mountainland Association of Governments (MAG) and ultimately make decisions on the trail's maintenance needs. The trail had been in operation for three or four years, and this was the first assessment that had taken place.

Mr. Manning explained that several facility upgrades were needed for roof leaks, pipe issues, etc., and these needs had been given a budget of \$243,775. With regards to fleet maintenance, the personnel budget was \$446,202, and the operating budget was \$263,798. The City owned 21 cars (police, parks, fire, car pool) which required a budget of \$765,000. Enterprise funds (dump trucks, sweepers, vac truck) were budgeted at \$750,000, and the fire apparatus set-aside was \$150,000. Mr. Manning explained that the fire apparatus set-aside was money that was put away for when engines needed to be replaced.

Information technology had a personnel budget of \$1,216,671 and a capital budget of \$77,419. Mr. Manning mentioned that much of the programming was designed and maintained in-house, and some miscellaneous equipment upgrades were needed. In this day and age, technology played a huge part, and the City could not operate when the server was down.

Road fund revenues for Fiscal Year 2017 were projected to be around \$3,015,000. Personnel had been budgeted for \$25,899; operations had been budgeted for \$978,000, and capital, \$2,011,101.

Mayor Brunst stated that road funding had been increased by \$500,000 due to the new laws that were recently passed.

Mr. Macdonald asked if the gas tax rate was flat rate, to which Mr. Manning answered affirmatively.

Mr. Lentz commented that with Proposition 1 there were discussions on road shortages. He asked how short they would be compared to where the City would like to be when maintaining and upgrading roads. Mr. Manning said that he did not have this specific information, but that Orem missed the mark by a considerable amount. Mayor Brunst stated that they had about \$2.5 million, or about 50 percent of what they needed.

Mr. Manning said that the Council adopted a philosophy to use the gas tax money for maintenance. If the City stayed on top of road maintenance, the life of the road could be lengthened by almost double. By prioritizing maintenance projects, the City could save tens of millions of dollars over several generations.



Mr. Davidson stated that several weeks ago there was a discussion on capital projects that were going to move forward, including a rebuild of 1200 West from 800 North to 1600 North. This would not be an expansion of the road, but rather fixing what was there, and was estimated to cost \$1.6 million. He said that Mr. Tschirki and his team puts together a "State of the Streets" report every year, and that he would speak to specific information for those projects. This summer they would do an overlay on Center Street, which would take place after July 1 and would be a \$1 million project. Mr. Davidson noted that they would try to tackle larger road projects incrementally based on available resources.

Mayor Brunst commented that roads were woefully underfunded. He attended a recent MAG meeting and all cities had a similar concern.

Mr. Manning explained that the gas tax money would be dedicated to maintenance for crack and slurry seals, and microsurfacing overlay. He reiterated what Mr. Davidson said by explaining that by doing maintenance, they could preserve roads for a long time.

Mr. Manning stated that the City had an excellent water system with growing revenues. He noted that in the last meeting, the Council adopted the Water Master Plan and instructed staff to create a tiered rate structure, as per a new State requirement that went into effect today. The new tiered system was designed to encourage conservation. Mr. Manning clarified that the tentative budget did not reflect those changes, just today's capabilities. The Water Fund numbers were then reviewed and discussed. The revenues for Fiscal Year 2017 were projected to be \$11,861,280 and \$896,858 in transfers, for a total of \$12,758,138. Personnel had a budget of \$2,198,895; operations, \$9,490,243; and capital, \$1,069,000. Mr. Manning noted that the operations budget was huge because the City buys a lot of water. The capital program was just barely over \$1 million, and would go up significantly with the new rate structure.

With regards to improvements, staff would like to go from two inch to four inch lines which would help with fire protection. Areas where they wanted to make these improvements were identified as 600 West to 400 North and 700 North, as well as 640 West, 680 West, and 500 North. They ultimately would replace all of the two inch lines in order to improve fire flows. Mr. Manning reviewed the Water Reclamation Fund revenues, and noted that Water Reclamation purchased a lot of power and natural gas in order to run the plant.

Mayor Brunst stated that residents often inquired on the surplus funds and asked why they were not used. Mr. Manning replied that if Orem had an earthquake, the City would need operational money to rebuild a damaged system. The Council's direction had been to pay-as-you-go in order to fund larger projects. The City would need cash in the event of an emergency. Furthermore, capital projects were very expensive.

Mr. Lentz said that in the event of a natural disaster, some programs were self-insured, and he asked if the enterprise funds were also self-ensured. Mr. Manning explained that they were not. However, along the lines of a natural disaster, the City had some earthquake coverage. The insurance had a cap and the City would still have to pay a significant deductible. Furthermore, they would also have to share the coverage with a couple of other cities. For example, if Orem was hit harder than American Fork, Orem would get the lion's share of the funding within the designated collection window. If the disaster was severe enough, FEMA would provide

assistance; however, FEMA did not pay up front, and the City would have to pay for cash flow in the interim and be reimbursed later.

Mr. Manning explained that there were routine liner projects to fix damaged pipes. There would also be a four inch lateral installed at the cemetery, as well as maintenance elimination projects. The total budget for water reclamation projects was \$758,000.

Mr. Macdonald asked about the liner and wanted to know what percentage of flow was lost once it was installed. Mr. Tschirki replied that the inside diameter decreased, but it had been determined that the material used for this process increased the smoothness. Therefore, in some cases there was an increase in capacity even with the reduced diameter. He explained the process and stated that they were not putting in a sleeve, but rather were putting in a sock of resin that was blown up and pressurized. The material then formed along the walls of the pipe itself after it had been cleaned. They did not have to dig holes in the roads; rather, they could travel between manholes to make the installation. Modifications were also made to the inside of the manhole to create a smoother transition.

Mayor Brunst asked about the cost difference between putting in a liner versus replacing the pipe. Mr. Tschirki answered that the cost savings of installing a liner was around \$0.70 on the dollar, or 70 percent altogether. He noted that this was a standard practice wherever possible. In response to a question that was raised, Mr. Tschirki explained that if there was a line with a failure and settlement, it would have to be excavated and fixed; but most pipes could be lined.

Mr. Manning reviewed the Storm Water Fund revenues and expenditures, and noted that the storm water fee increased in the month of April. The projected revenue for Fiscal Year 2017 was \$3,717,895. Personnel costs were budgeted at \$778,285, operations at \$1,719,610, and capital at \$1,310,000. Of the capital amount, \$1 million would go towards projects and the rest would go into fleet replacement. There would be two large projects, one of which would be on 400 North westbound, and the other would be near Utah Valley University.

Mr. Manning explained that strategic studies would be funded in this year's budget out of reserves, and would come up in the next budget amendment in June. Due to the nature of these studies, they would help guide the direction of the City for the foreseeable future. One of the studies would be an overview of the City's fees, and whether or not they were recouping costs as much as possible. Furthermore, the studies would determine whether or not the City's charges were in line with existing laws and policies.

Mr. Manning briefly spoke about the Geneva Road Master Plan. He asked the Council to consider how they would like to see this particular property developed. Mayor Brunst asked if Orem City was the only funding source on the study that preceded the creation of this master plan. Mr. Davidson answered that Orem was the primary loan funding agency, and Mr. Manning noted that the study was paid for by money in the reserves.

Mr. Manning reviewed a study for the City Center Master Plan, and noted that the juvenile court would be relocated because the building did not meet current earthquake standards and had space issues. He mentioned that the State Street Master Plan was the long-term economic development plan for the proposed districts on State Street.

Mr. Manning explained that the Debt Service Fund was used to pay general obligation (GO) debts, as well as debts that were backed by fees and revenue sources that were in the General Fund. The projected revenue for next year was \$1,937,601. The principal had a budget of \$3,450,873, and the interest had a budget of \$483,448. Other expenses, such as streetlights, SID, and parks had been allocated a budget of \$3,046,100. Mr. Manning then presented an overview of City's outstanding bond debt history. He reported that the outstanding bond indebtedness was \$43,998,000 and dropping. Mayor Brunst asked if these numbers included UTOPIA, and Mr. Manning replied that they did not.

In response to a question from Mr. Macdonald, Mr. Manning explained that everything had been refinanced at one time or another over the last three years. He mentioned that both road and water bonds had been refinanced. Mr. Macdonald stated that Orem had historically been successful in reducing debt.

Mr. Manning explained that the Recreation Fund was funded by the Recreation Center and the Scera Pool complex. The sports fields and courts were funded through the General Fund. The Recreation Fund's revenues and expenditures were as follows:

- Revenue for Fiscal Year 2017: \$1,594,750
- Transfers in: \$402,000
- Appropriation of surplus: \$0
- Personnel: \$1,281,051
- Operations: \$715,699

Mr. Manning stated that the appropriation of surplus was zero because there would not be any. The void would be filled by the General Fund transfer.

The Solid Waste Fund revenues for Fiscal Year 2017 were anticipated to be \$3,436,500. Next year's rates would be as follows:

- First can: \$10.65
- Second can: \$9.65
- Recycling: \$3.20
- Green waste: \$5.70

Mr. Manning explained that the solid waste was a contracted service. Solid waste expenses included:

- Take Pride in Orem Projects: \$202,251
- Hauling Contract: \$1,850,000
- North Pointe Transfer Station fees: \$800,000
- Specialty Disposal: \$145,000 (Coupons, Green Recycle)
- Miscellaneous: \$439,149

The City ran their own purchasing system and warehouse where people could pick up commonly used supplies. This required a personnel budget of \$232,323, as well as an operations budget of \$102,677. They were self-insured for workers compensation for the first \$600,000 per claim.

Mr. Lentz commented that the City had made significant strides in risk management. Mr. Manning stated that they had cut claims in worker's compensation by roughly one-fourth to one-third of what it had been in the past. The dollar claim was down significantly. Mr. Manning explained that the trouble with worker's compensation was that fees could accrue over a number of years. The goal was always to get the employee back to work; however, some could not come back, and occasionally there were those who had costs ongoing for the rest of their lives. The City opted to be self-insured because it was significantly more expensive to purchase insurance through the public marketplace.

Mr. Manning explained that experience and modification rates (e-mod) had come down. The City had made dramatic strides in getting people focused on this matter. Mayor Brunst stated that overall the City had a much better safety program in place than they had had in the past. Mr. Manning agreed, and stated that the Risk Manager Jason Adamson was ideally suited for his position. Mr. Adamson came from Public Works and he had an ability to connect with people readily.

Mr. Manning reviewed the budget for Community Development which included \$105,162 for personnel, \$665,077 for operations, and \$100,000 for capital.

Staff was recommending several fee charges and modifications, for which Mr. Manning provided a condensed overview:

- Passport overnight fee: \$25.00 (from \$20.00)
- Passport photos: \$16.00 (from \$13.00)
- Photos second set: \$8.00 (new fee)
- Business license base: \$100.00 (from \$150.00)
- New business set-up: \$50.00 (new fee)
- Commercial base fee: \$0.00 (from \$30.00)
- Fence modification waiver: \$500.00 (from \$100.00)
- Subdivision – site plan administrative approval: \$600.00 (from \$500)
- Temporary site plan: \$175 (from \$100)
- Temporary occupancy multi-unit (onsite improvements not complete): \$375 (new fee)
- Same unit occupied: \$375/building \$30.00/unit (new fee)
- Engineering after hours fee: \$100.00 minimum + \$60.00 hour over two hours
- Street light pole, base & fixture: \$3,825 (from \$3,600)
- Street light junction box & install: \$185 (from \$175)
- Street light LED, Driver and Eye: \$545 (from \$535)
- Various library fees
- Police all video reports/camera: \$45.00
- Police reports: \$16.00 (from \$15.00)
- Traffic school: \$65.00 (from \$60.00)

Mr. Manning mentioned that a lot of people came to Orem to get passports and photos. City Employee, Bev Burdett, was named as an outstanding employee who was great to work with in this department. It was noted that passports brought in around \$65,000 of revenue per year.

Mrs. Lauret asked about the fence modification waiver and why the fee had increased so significantly. Mr. Manning replied that they were fairly labor intensive to process.

Mr. Lentz asked if there were legal exceptions to apply for a waiver for obtaining video reports. Mr. Davidson answered that there were privacy provisions for government records; therefore, there were circumstances in which they would not be released. Mr. Seastrand asked if the State dictated the fee structure. Mr. Manning explained that the rule of thumb was that fees should not exceed the cost to deliver the service. He noted that insurance companies were huge requesters for this type of information.

The cemetery burial lot transfer fee for resident to resident, non-resident to non-resident, or non-resident to resident, was changed from \$0 to \$15. The transfer fee from a resident to non-resident was \$300.00 to cover the cost of a non-resident burial fee.

The water base rate had had a 25 percent hike from Jordanelle. Mayor Brunst asked if this was affecting all communities, to which Mr. Manning responded affirmatively; the hike increased proportionally.

Mr. Manning reported that the Recreation Center had slight fee changes. It had been three years since last the last fee increase. Next year the park pavilion rate would increase, and would differ for local or non-local businesses. Rates for the gymnasium had been modified as charter schools become more prevalent and used the space for athletics. Mr. Lentz asked for clarification on the matter. Mr. Manning explained that certain uses could be paid for, such as a specific lane for lap swimming. Lastly, he explained that the public hearing for the tentative budget had been scheduled for June 14, 2016 at 6:00 p.m.

Mr. Lentz explained that at the Council retreat, there were discussions on certain issues that should be prioritized. First, they had wanted to resolve and address UTOPIA, and secondly, they wanted to figure out what to do with the City Center. As the tentative budget was presented tonight, he was of the opinion they were going backwards with UTOPIA. While they may still discuss UTOPIA as being a priority, he was of the opinion that their actions spoke otherwise. He said that he would be comfortable accepting this budget tentatively, but that the Council should speak to those goals in the weeks going forward.

Mayor Brunst opened for public comment.

John Reinhard, resident, stated that he was glad to see a budget increase for police officers. He commented that he would be happy to see even more of a budget for police officers. He would not be opposed to an increase in taxes if it would go towards public safety. He stated that with population growth this would be an important matter moving forward.

Mayor Brunst closed the public hearing.

Mayor Brunst commented that the City was growing, and that the last census reported a population of 94,000 residents. He agreed that they needed more police officers and vehicles to serve the residents. He also commented that Orem had a balanced budget.

Mr. Spencer asked Chief Giles about the Citizen's Academy, and mentioned that he had heard the officers were only getting limited target practice due to having an insufficient amount of ammunition. He asked if next year's budget had been adjusted so that they could purchase more ammunition. Chief Giles replied that there was plenty in the budget for ammunition, which he felt had been meeting the department's needs. The Police Department certified twice a year, and had firearms training throughout the year.

Mr. Spencer asked if the Timpanogos Storytelling Fund ran into the negative. Mr. Nelson explained that they intended to use their surplus from donations. The Council discussed tent rentals and how they were managed financially. Mrs. Crozier explained that the Timpanogos Storytelling Institute (TSI) operated with the City of Orem in a partnership. TSI became a separate organization a few years ago, and previously the festival was more loosely volunteer based, with significant commitment from those who participated. Orem operated the bill paying, invoicing and purchase orders, because they were the legal entity. Orem worked primarily on the facilities and TSI did more of the programming, hosting, hospitality, etc. The entities were currently working on establishing a more formal agreement. The festival itself had been carrying its load in donations, ticket and merchandise sales, and they were working on creating a more balanced budget. Orem was also working with TSI for additional grants, which would help layer different opportunities. These opportunities would allow TSI to maintain a family friendly ticket price. Mrs. Crozier explained that the festival was normally handled through the City's accounting, and soft costs were often absorbed by other City departments.

Mr. Nelson advised the Council to look at the CAFR, because the budget did not reflect a balanced sheet for the festival. Mr. Davidson explained that a board oversaw the money of this organization. He added that Orem made a conscious decision to pull money out of the fund in excess of the revenues generated, because they knew that they had this money available in the fund balance to cover the additional costs. The City sometimes made this same conscious decision with certain enterprise funds.

Mayor Brunst noted that TSI was a 501(c)(3) entity, and asked if the City had access to their financial statements, and records. Mrs. Crozier said that the City had full access to those records; the only expenditures that the City did not regulate were those that related to the two TSI staff members and their office expenditures. Mayor Brunst requested to see a copy of their financial records.

Mr. Davidson explained that this fund was audited on an annual basis, along with all of the other funds from the City. One concern of staff was that of trying to better define the relationship of who did what between Orem and TSI. This had been a difficult conversation on both sides; as a government agency, the City needed to remain compliant, and sometimes this came at the frustration of TSI. Orem was required to invest surplus money in the State Treasurer's pool, which garnered a 1 percent return. Staff had also reached out to the State Auditor in order to better define this relationship.

Mrs. Lauret commented that for rainy day funds, the City needed at least 5 percent in the reserves. She asked if the City had a target percentage on how much they wanted to put away. Mr. Manning said that the City's target was 15 percent, and they were currently exceeding this goal.

Mayor Brunst **moved**, by resolution, to adopt the City of Orem Fiscal Year 2016-2017 Tentative Budget and set a public hearing on June 10, 2016 at 6:00 p.m. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

## COMMUNICATION ITEMS

There were no Communication Items.

## CITY MANAGER INFORMATION ITEMS

Mr. Davidson shared some Communication Items.

## ADJOURN TO A MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY OF OREM

Mr. Seastrand **moved** to adjourn to a meeting of the Redevelopment Agency of the City of Orem. Mr. Lentz **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

The meeting adjourned at 8:06 p.m.

The meeting reconvened at 8:33 p.m.

Mr. Spencer **moved** to correct the date of the public hearing for adoption of the City of Orem Fiscal Year 2016-2017 Final Budget from June 10, 2016 to June 14, 2016 at 6:00 p.m. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

## ADJOURNMENT

Mr. Spencer **moved** to adjourn the meeting. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed unanimously**.

The meeting adjourned at 8:34 p.m.

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Donna R. Weaver, City Recorder

Approved: June 14, 2016